

CCM 2014 Testimony

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PLANNING & DEVELOPMENT COMMITTEE

March 7, 2014

The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent over 92% of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

HB 5332, "An Act Concerning The Taxation Of Certain Public Golf Courses"

CCM opposes HB 5332.

HB 5332, while written as a municipal option, it would place unnecessary pressures on a town to grant special tax exemptions to privately owned/public course, a for-profit entity, and shift the burden to other taxpayers within a municipality. HB 5332 would in force municipal officials to grant these requests for open space classification by allowing the owners of these golf courses to demand special tax consideration and if failing to get that consideration, sell the land for housing developments.

Additionally, the bill would allow a golf course that qualifies for open space classification to be valued as open space land without regard to golf course improvements such as greens and tees.

Current law permits that certain properties, including Golf Courses, to be valued based on use rather than market value. A municipality can designate a specific parcel for land preservation or open space by designating such parcel as such on their municipal Master Plan. This covenant requires an assessor to set land values based on the exclusive use as open space and not necessarily the highest and best use.

Each town in Connecticut has the mandate to institute local zoning regulations. The Open Space covenant preserves vacant land, and is the municipality's right and responsibility to designate and approve this special use status for open space and therefore make the special valuation applicable to privately owned Golf courses.

However, this special valuation applies to the land only and does not pertain to the improvements to the land that sets a golf course apart from other similar vacant open space. HB 5332, if passed, would eliminate the valuation of these improvements (i.e., fairways, greens, sand-traps, irrigation, etc.) and attempt to treat improved golf course no different than vacant open space land with none of these types of improvements. It is these very improvements that provide value to a golf course.

HB 5332 does not offer any real protection of open space. Yes, a conveyance tax would be imposed if such a property is sold within a 10-year period. However, that tax is only a percentage of the sales price and slowly reduces each year until it is entirely gone after 10 years. The value of these properties as developable land far

exceeds any potential conveyance tax a property owner would have to pay and thus would not provide any security that such property would remain undeveloped.

Additionally, while HB 5332 limits the scope to privately owned Golf Courses that are used by the public, how long would it be before the owners of private courses ask for the same consideration?

Passage of this bill could allow for a significant loss of revenue to more than 70 municipalities in Connecticut and increase taxes for the rest of the property owners, and CCM is unaware of any municipalities that are seeking the authority to implement the changes within this bill.

CCM urges the Committee to reject HB 5332.

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If you have any questions, please contact Randy Collins, Senior Legislative Associate for CCM, at rcollins@ccm-ct.org or (860) 707-6446.